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§10-204. IN EFFECT

(a) To the extent excluded from federal adjusted gross income, the amounts under this section are added to the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

(b) The addition under subsection (a) of this section includes interest or dividends, less related expenses, attributable to an obligation or security of:

(1) another state; or

(2) a political subdivision or authority of another state.

(c) (1) If exempted by federal law or by treaty from federal but not State tax on income, the addition under subsection (a) of this section includes salary, wages, or other compensation for personal services.

(2) If exempted by federal law or by treaty from federal but not State tax on income, the addition under subsection (a) of this section includes interest or dividends attributable to an obligation of:

(i) the United States or a foreign government; or

(ii) an authority, commission, instrumentality, possession, or territory of the United States or of a foreign government.

(d) (1) In this subsection, “lump-sum distribution”, “minimum distribution allowance”, and “total taxable amount” have the meanings stated in § 402(e) of the Internal Revenue Code.

(2) The addition under subsection (a) of this section includes the amount by which the total taxable amount of a lump-sum distribution exceeds the sum of:

(i) 60% of the capital gains portion of the total taxable amount; and

(ii) the minimum distribution allowance.

(3) For purposes of this subsection, the capital gains portion of the total taxable amount is determined by multiplying the total taxable amount by a fraction:

(i) the numerator of which is the number of calendar years of active participation by the employee in the plan before January 1, 1974; and

(ii) the denominator of which is the number of calendar years of active participation by the employee in the plan.

(e) The addition under subsection (a) of this section includes the oil percentage depletion allowance claimed under § 613 or § 613A of the Internal Revenue Code.

(f) The addition under subsection (a) of this section includes the amount of pickup contributions of a member of a retirement or pension system:

(1) provided for under § 21–313 of the State Personnel and Pensions Article; and

(2) excluded from federal adjusted gross income under § 414(h)(2) of the Internal Revenue Code.

(g) (1) In this subsection, “remaindermen” includes a person whose remainder interest is vested, contingent, or vested subject to divestment.

(2) The addition under subsection (a) of this section includes any capital loss derived from the sale or other disposition of intangible personal property that is held in trust, if the proceeds thereof are added to the principal of the trust, and if all the remaindermen in being are:

(i) nonresidents during the entire taxable year; or

(ii) corporations not doing business in the State.

(3) The addition required under paragraph (2) of this subsection does not apply if there are no remaindermen of the trust in being.

(h) The addition under subsection (a) of this section includes the amount deducted under § 222 of the Internal Revenue Code for qualified tuition and related expenses paid during the taxable year.

(i) Repealed.

(j) The addition under subsection (a) of this section includes any amount deducted for costs, as defined under § 10-732 of this title, for security clearance administrative expenses and construction and equipment costs incurred to construct or renovate a sensitive compartmented information facility if an amount is included in the application for a credit under § 10-732 of this title.

(k) For a taxable year beginning after December 31, 2012, the addition under subsection (a) of this section includes the amount of income of an electing small business trust, as defined under § 1361(e)(1) of the Internal Revenue Code, that is subject to the special taxing rules under § 641(c) of the Internal Revenue Code.

(l) The addition under subsection (a) of this section includes any amount deducted as a donation, as defined under § 10-736 or § 10-749 of this title, to the extent that the amount of the donation is included in an application for a credit that is certified under § 10-736 or § 10-749 of this title.

§10-204. // EFFECTIVE DECEMBER 31, 2023 PER CHAPTER 544 OF 2019 //

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(1) another state; or

(2) a political subdivision or authority of another state.

(c) (1) If exempted by federal law or by treaty from federal but not State tax on income, the addition under subsection (a) of this section includes salary, wages, or other compensation for personal services.

(2) If exempted by federal law or by treaty from federal but not State tax on income, the addition under subsection (a) of this section includes interest or dividends attributable to an obligation of:

(i) the United States or a foreign government; or

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(i) 60% of the capital gains portion of the total taxable amount; and

(ii) the minimum distribution allowance.

(3) For purposes of this subsection, the capital gains portion of the total taxable amount is determined by multiplying the total taxable amount by a fraction:

(i) the numerator of which is the number of calendar years of active participation by the employee in the plan before January 1, 1974; and

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(e) The addition under subsection (a) of this section includes the oil percentage depletion allowance claimed under § 613 or § 613A of the Internal Revenue Code.

(f) The addition under subsection (a) of this section includes the amount of pickup contributions of a member of a retirement or pension system:

(1) provided for under § 21–313 of the State Personnel and Pensions Article; and

(2) excluded from federal adjusted gross income under § 414(h)(2) of the Internal Revenue Code.

(g) (1) In this subsection, “remaindermen” includes a person whose remainder interest is vested, contingent, or vested subject to divestment.

(2) The addition under subsection (a) of this section includes any capital loss derived from the sale or other disposition of intangible personal property that is held in trust, if the proceeds thereof are added to the principal of the trust, and if all the remaindermen in being are:

- (i) nonresidents during the entire taxable year; or
- (ii) corporations not doing business in the State.

(3) The addition required under paragraph (2) of this subsection does not apply if there are no remaindermen of the trust in being.

(h) The addition under subsection (a) of this section includes the amount deducted under § 222 of the Internal Revenue Code for qualified tuition and related expenses paid during the taxable year.

(i) Repealed.

(j) The addition under subsection (a) of this section includes any amount deducted for costs, as defined under § 10–732 of this title, for security clearance administrative expenses and construction and equipment costs incurred to construct or renovate a sensitive compartmented information facility if an amount is included in the application for a credit under § 10–732 of this title.

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(l) The addition under subsection (a) of this section includes any amount deducted as a donation, as defined under § 10–736 of this title, to the extent that the amount of the donation is included in an application for a credit that is certified under § 10–736 of this title.

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